

**CITY OF BISMARCK EMPLOYEES PENSION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2002**

	Month Ended 8/31/2002				Month Ended 7/31/2002				Current Fiscal YTD	Prior Year FY02	3 Years Ended 6/30/2002	5 Years Ended 6/30/2002
	Allocation				Allocation							
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>												
<i>Structured Growth</i>												
<b>AllianceBernstein</b>	<b>463,650</b>	<b>2.2%</b>	<b>2.6%</b>	<b>2.32%</b>	<b>453,389</b>	<b>2.2%</b>	<b>2.6%</b>	<b>-7.03%</b>	<b>-4.88%</b>	<b>-28.98%</b>	<b>-16.11%</b>	<b>N/A</b>
<i>Russell 1000 Growth</i>				0.30%				-5.50%	-5.22%	-26.49%	-16.15%	N/A
<i>Structured Value</i>												
<b>LSV</b>	<b>1,076,722</b>	<b>5.2%</b>	<b>5.1%</b>	<b>0.20%</b>	<b>1,074,915</b>	<b>5.2%</b>	<b>5.1%</b>	<b>-7.94%</b>	<b>-7.76%</b>	<b>2.72%</b>	<b>5.54%</b>	<b>N/A</b>
<i>Russell 1000 Value</i>				0.75%				-9.30%	-8.62%	-8.96%	-4.87%	N/A
<i>Enhanced Russell 1000 Index</i>												
<b>LA Capital (Wilshire)</b>	<b>1,005,232</b>	<b>4.8%</b>	<b>5.1%</b>	<b>0.66%</b>	<b>999,163</b>	<b>4.9%</b>	<b>5.1%</b>	<b>-7.52%</b>	<b>-6.91%</b>	<b>-17.00%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 1000</i>				0.75%				-9.30%	-8.62%	-17.89%	N/A	N/A
<i>Enhanced S&amp;P 500 Index</i>												
<i>Northern Trust</i>	977,180	4.7%	5.1%	0.71%	970,618	4.7%	5.1%	-7.48%	-6.83%	-16.98%	N/A	N/A
<i>Strong</i>	986,506	4.7%	5.1%	0.17%	980,271	4.8%	5.1%	-7.95%	-7.79%	-20.23%	N/A	N/A
<i>Westridge</i>	1,193,060	5.7%	5.1%	0.67%	1,187,045	5.8%	5.1%	-7.69%	-7.07%	-17.54%	N/A	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>3,156,747</b>	<b>15.2%</b>	<b>15.4%</b>	<b>0.53%</b>	<b>3,137,934</b>	<b>15.3%</b>	<b>15.4%</b>	<b>-7.71%</b>	<b>-7.22%</b>	<b>-18.23%</b>	<b>N/A</b>	<b>N/A</b>
<i>S&amp;P 500</i>				0.66%				-7.80%	-7.19%	-17.98%	N/A	N/A
<i>S&amp;P 500 Index</i>												
<b>State Street</b>	<b>1,106,652</b>	<b>5.3%</b>	<b>6.0%</b>	<b>0.66%</b>	<b>1,099,394</b>	<b>5.4%</b>	<b>6.0%</b>	<b>-7.78%</b>	<b>-7.17%</b>	<b>-17.96%</b>	<b>-9.14%</b>	<b>3.67%</b>
<i>S&amp;P 500</i>				0.66%				-7.80%	-7.19%	-17.98%	-9.18%	3.67%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>6,809,003</b>	<b>32.7%</b>	<b>34.3%</b>	<b>0.64%</b>	<b>6,764,795</b>	<b>32.9%</b>	<b>34.3%</b>	<b>-7.67%</b>	<b>-7.08%</b>	<b>-17.13%</b>	<b>-9.48%</b>	<b>2.68%</b>
<i>S&amp;P 500</i>				0.66%				-7.80%	-7.19%	-17.98%	-9.18%	3.67%
<b>SMALL CAP DOMESTIC EQUITY</b>												
<i>Manager-of-Managers</i>												
<b>SEI</b>	<b>2,179,377</b>	<b>10.5%</b>	<b>10.7%</b>	<b>0.75%</b>	<b>1,914,531</b>	<b>9.3%</b>	<b>10.7%</b>	<b>-13.68%</b>	<b>-13.03%</b>	<b>-11.87%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 2000 + 200bp</i>				-0.09%				-14.93%	-15.01%	-6.68%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>2,179,377</b>	<b>10.5%</b>	<b>10.7%</b>	<b>0.75%</b>	<b>1,914,531</b>	<b>9.3%</b>	<b>10.7%</b>	<b>-13.68%</b>	<b>-13.03%</b>	<b>-11.87%</b>	<b>1.18%</b>	<b>1.95%</b>
<i>Russell 2000</i>				-0.26%				-15.10%	-15.32%	-8.59%	1.67%	4.44%
<b>INTERNATIONAL EQUITY</b>												
<i>Large Cap - Core</i>												
<b>State Street</b>	<b>110,755</b>	<b>0.5%</b>	<b>0.6%</b>	<b>-0.59%</b>	<b>111,387</b>	<b>0.5%</b>	<b>0.6%</b>	<b>-9.69%</b>	<b>-10.23%</b>	<b>-11.74%</b>	<b>-6.76%</b>	<b>-2.26%</b>
<i>MSCI EAFE - 50% Hedged</i>				-0.24%				-10.04%	-10.26%	-14.62%	-5.75%	0.27%
<i>Large Cap - Active</i>												
<i>Capital Guardian</i>	288,216	1.4%	1.5%	-1.70%	293,404	1.4%	1.5%	-10.69%	-12.20%	-13.17%	-1.00%	5.76%
<i>Bank of Ireland</i>	63,363	0.3%	0.3%	-0.74%	63,941	0.3%	0.3%	-10.05%	-10.72%	N/A	N/A	N/A
<b>Total Large Cap - Active</b>	<b>351,579</b>	<b>1.7%</b>	<b>1.8%</b>	<b>-1.53%</b>	<b>357,345</b>	<b>1.7%</b>	<b>1.8%</b>	<b>-10.57%</b>	<b>-11.94%</b>	<b>-12.19%</b>	<b>-0.63%</b>	<b>6.00%</b>
<i>MSCI EAFE - 50% Hedged</i>				-0.24%				-10.04%	-10.26%	-14.62%	-5.75%	0.27%
<i>Small Cap - Active</i>												
<i>Lazard</i>	68,112	0.3%	0.3%	-1.56%	69,207	0.3%	0.3%	-8.36%	-9.79%	N/A	N/A	N/A
<i>Wellington</i>	66,667	0.3%	0.3%	-2.38%	68,378	0.3%	0.3%	-5.78%	-8.02%	N/A	N/A	N/A
<b>Total Small Cap - Active</b>	<b>134,779</b>	<b>0.6%</b>	<b>0.6%</b>	<b>-1.97%</b>	<b>137,584</b>	<b>0.7%</b>	<b>0.6%</b>	<b>-7.10%</b>	<b>-8.92%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>SSB BROAD MARKET INDEX &lt; \$2BN</i>				-0.90%				-6.90%	-7.74%	N/A	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>597,113</b>	<b>2.9%</b>	<b>3.0%</b>	<b>-1.45%</b>	<b>606,316</b>	<b>3.0%</b>	<b>3.0%</b>	<b>-9.64%</b>	<b>-10.96%</b>	<b>-10.49%</b>	<b>-2.94%</b>	<b>2.40%</b>
<i>MSCI EAFE - 50% Hedged</i>				-0.24%				-10.04%	-10.26%	-14.62%	-5.75%	0.27%
<b>EMERGING MARKETS EQUITY</b>												
<b>Capital Guardian</b>	<b>290,440</b>	<b>1.4%</b>	<b>1.5%</b>	<b>2.11%</b>	<b>284,427</b>	<b>1.4%</b>	<b>1.5%</b>	<b>-9.20%</b>	<b>-7.28%</b>	<b>-5.69%</b>	<b>-5.69%</b>	<b>-6.04%</b>
<i>MSCI Emerging Markets Free</i>				1.54%				-7.61%	-6.19%	1.30%	-6.34%	-8.42%
<b>DOMESTIC FIXED INCOME</b>												
<i>Core Bond</i>												
<b>Western Asset</b>	<b>1,423,901</b>	<b>6.8%</b>	<b>6.3%</b>	<b>2.65%</b>	<b>1,493,555</b>	<b>7.3%</b>	<b>6.3%</b>	<b>-0.11%</b>	<b>2.53%</b>	<b>8.87%</b>	<b>8.93%</b>	<b>8.26%</b>
<i>Lehman Aggregate</i>				1.69%				1.21%	2.92%	8.62%	8.10%	7.57%
<i>Active Duration</i>												
<b>Criterion</b>	<b>1,400,663</b>	<b>6.7%</b>	<b>6.3%</b>	<b>1.62%</b>	<b>1,486,394</b>	<b>7.2%</b>	<b>6.3%</b>	<b>0.03%</b>	<b>1.65%</b>	<b>6.00%</b>	<b>7.60%</b>	<b>7.09%</b>
<i>Lehman Aggregate</i>				1.69%				1.21%	2.92%	8.62%	8.10%	7.57%

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	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	Net	Net
<b>Index</b>												
Bank of ND	1,736,489	8.4%	8.2%	2.06%	1,732,488	8.4%	8.2%	1.62%	3.70%	9.56%	8.03%	7.55%
Bank of ND Match Loan CD Program	370,014	1.8%	1.8%	0.48%	371,215	1.8%	1.8%	0.48%	0.95%	5.79%	5.86%	5.90%
<b>Total Index</b>	<b>2,106,503</b>	<b>10.1%</b>	<b>10.0%</b>	<b>1.65%</b>	<b>2,103,703</b>	<b>10.2%</b>	<b>10.0%</b>	<b>1.32%</b>	<b>2.99%</b>	<b>9.68%</b>	<b>7.81%</b>	<b>7.47%</b>
<i>Lehman Gov/Corp</i>				2.24%				1.20%	3.47%	8.24%	7.85%	7.47%
<b>Convertibles</b>												
<b>TCW</b>	<b>1,335,559</b>	<b>6.4%</b>	<b>6.3%</b>	<b>2.29%</b>	<b>1,267,192</b>	<b>6.2%</b>	<b>6.3%</b>	<b>-7.54%</b>	<b>-5.41%</b>	<b>-21.20%</b>	<b>-2.06%</b>	<b>N/A</b>
<i>First Boston Convertible Index</i>				0.54%				-6.25%	-5.74%	-12.44%	0.11%	N/A
<b>BBB Average Quality</b>												
<b>Strong</b>	<b>1,383,084</b>	<b>6.7%</b>	<b>6.3%</b>	<b>2.78%</b>	<b>1,410,311</b>	<b>6.9%</b>	<b>6.3%</b>	<b>-3.45%</b>	<b>-0.77%</b>	<b>3.16%</b>	<b>6.83%</b>	<b>N/A</b>
<i>Lehman BBB</i>				3.56%				-2.23%	1.25%	5.85%	4.75%	N/A
<b>Timberland</b>												
<b>Evergreen (Wachovia) (1)</b>	<b>1,018,569</b>	<b>4.9%</b>	<b>4.9%</b>	<b>-0.07%</b>	<b>991,696</b>	<b>4.8%</b>	<b>4.8%</b>	<b>-0.07%</b>	<b>-0.15%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
										0.00%	0.00%	0.00%
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>8,668,279</b>	<b>41.7%</b>	<b>40.0%</b>	<b>1.89%</b>	<b>8,752,850</b>	<b>42.6%</b>	<b>40.0%</b>	<b>-1.37%</b>	<b>0.50%</b>	<b>2.56%</b>	<b>6.70%</b>	<b>6.56%</b>
<i>Lehman Aggregate</i>				1.69%				1.21%	2.92%	8.62%	8.10%	7.57%
<b>HIGH YIELD BONDS</b>												
<b>Western Asset</b>	<b>682,795</b>	<b>3.3%</b>	<b>3.5%</b>	<b>2.51%</b>	<b>666,093</b>	<b>3.2%</b>	<b>3.5%</b>	<b>-3.79%</b>	<b>-1.38%</b>	<b>-6.08%</b>	<b>-3.89%</b>	<b>4.16%</b>
<i>Lehman High Yield Bond Index</i>				2.85%				-4.37%	-1.64%	-3.60%	-2.31%	0.68%
<b>INTERNATIONAL FIXED INCOME</b>												
<b>International Core</b>												
<b>UBS Global (Brinson)</b>	<b>474,998</b>	<b>2.3%</b>	<b>2.0%</b>	<b>1.49%</b>	<b>467,926</b>	<b>2.3%</b>	<b>2.0%</b>	<b>0.30%</b>	<b>1.79%</b>	<b>16.83%</b>	<b>2.39%</b>	<b>2.43%</b>
<i>Salomon Brothers Non-US Gov't Bond Index</i>				1.63%				0.57%	2.21%	15.72%	3.14%	3.03%
<b>REAL ESTATE</b>												
<b>J.P. Morgan</b>	<b>688,658</b>			<b>0.23%</b>	<b>685,104</b>			<b>0.23%</b>	<b>0.46%</b>	<b>4.10%</b>	<b>9.60%</b>	<b>11.72%</b>
<i>NCREIF TOTAL INDEX</i>				0.56%				0.55%	1.12%	6.79%	9.41%	11.96%
<b>ALTERNATIVE INVESTMENTS</b>												
Coral Partners V	42,937			-0.21%	44,045			-0.21%	-0.41%	-46.32%	-3.46%	N/A
Coral Partners V - Supplemental	2,998			-0.37%	3,076			-0.37%	-0.75%	N/A	N/A	N/A
Coral Partners VI	2,484			0.00%	2,548			0.00%	0.00%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	9,130			0.15%	9,366			0.15%	0.29%	-15.23%	8.66%	N/A
Brinson 1999 Partnership Fund	10,392			-2.09%	10,661			-2.09%	-4.14%	-21.70%	-0.85%	N/A
Brinson 2000 Partnership Fund	13,927			-1.96%	14,287			-1.96%	-3.88%	-14.95%	N/A	N/A
Brinson 2001 Partnership Fund	3,073			-1.31%	3,153			-1.31%	-2.60%	-6.22%	N/A	N/A
Brinson 2002 Partnership Fund	1,464			0.12%	616			0.12%	0.23%	N/A	N/A	N/A
Total Brinson Partnership Funds	37,987			-1.39%	38,082			-1.39%	-2.76%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	3,896			-0.76%	3,997			-0.76%	-1.51%	-7.68%	-3.51%	N/A
Brinson 2000 Non-US Partnership Fund	3,462			-0.39%	3,551			-0.39%	-0.79%	-6.51%	N/A	N/A
Brinson 2001 Non-US Partnership Fund	1,848			-1.41%	1,896			-1.41%	-2.81%	-4.85%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	735			0.00%	754			0.00%	0.00%	N/A	N/A	N/A
Total Brinson Non-US Partnership Fund	9,941			-0.70%	10,197			-0.71%	-1.41%	N/A	N/A	N/A
Brinson BVCF IV	26,150			-3.19%	24,786			-3.19%	-6.28%	-29.16%	-17.06%	N/A
CSFB	32,289			0.00%	33,122			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	298			0.00%	306			0.00%	0.00%	N/A	N/A	N/A
Hearthstone	17,442			-2.22%	16,361			-2.22%	-4.39%	4.99%	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (1)</b>	<b>172,524</b>	<b>0.8%</b>	<b>1.0%</b>	<b>-1.08%</b>	<b>172,524</b>	<b>0.8%</b>	<b>1.0%</b>	<b>-1.26%</b>	<b>-2.32%</b>	<b>-28.86%</b>	<b>-4.14%</b>	<b>N/A</b>
<i>Post Venture Capital Index</i>				-1.69%				-12.55%	-14.03%	-44.30%	-26.03%	-6.83%
<b>CASH EQUIVALENTS</b>												
<b>Northern Trust STIF/STEP</b>	<b>229,544</b>	<b>1.1%</b>	<b>1.0%</b>	<b>0.03%</b>	<b>228,537</b>	<b>1.1%</b>	<b>1.0%</b>	<b>0.02%</b>	<b>0.05%</b>	<b>2.29%</b>	<b>4.72%</b>	<b>5.01%</b>
<i>90 Day T-Bill</i>				0.14%				0.15%	0.29%	2.63%	4.67%	4.84%
<b>TOTAL FUND</b>	<b>20,792,731</b>	<b>100.00%</b>	<b>100.00%</b>	<b>1.18%</b>	<b>20,543,103</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-4.95%</b>	<b>-3.82%</b>	<b>-6.37%</b>	<b>-0.34%</b>	<b>4.91%</b>
<b>POLICY TARGET BENCHMARK</b>				1.04%				-4.45%	-3.46%	-3.70%	0.50%	5.82%

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) Monthly returns estimated based on prior quarters' returns.